

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
January 3, 2006
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, January 3, 2006 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle for closed session.

The following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Joseph Moore, Eugene Winkler and James Sullivan.

At 9:40 A.M. Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Evidence and testimony presented in disciplinary hearings;**
3. **Pending Litigation;**
4. **Investigations concerning applicants and licensees; and**
5. **Closed Session Minutes.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

The Board convened its Open session at 1:35 P.M. pursuant to motion.

Approval of Minutes

Member Gardner moved that **the Board approve the closed session minutes of its Regular Meeting of December 8, 2005 and the open session minutes of its Regular Meeting of December 8, 2005.** Member Winkler seconded the motion. The Board approved the motion unanimously by role call.

Administrator's Report

Administrator Ostrowski stated that there will be a General Manager's Meeting on February 15, 2006 the day after our Regular Board Meeting, which is scheduled for Tuesday, February 14, 2006. Administrator Ostrowski stated that our March 14, 2006 Board meeting has been switched and now will take place March 6, 2006. Administrator Ostrowski stated that a presentation on Self-Exclusion with a series of speakers will take place today.

Public Commentary

Kathy Gilroy stated that she is speaking as a member of the public. She is concerned about the implementation of the self-exclusion program. Ms. Gilroy stated that she takes exception to the statement that the responsibility for staying out of Illinois casinos rest solely on the person and not the Illinois Gaming Board or Illinois Riverboat Casinos. Why is there a self-exclusion program implemented? Ms. Gilroy stated that the Board is admitting responsibility by having such a program. Ms. Gilroy discussed the definition of a disabled person. Ms. Gilroy asked exactly what is the State's responsibility to the problem gambler. Ms. Gilroy stated that she has appeared before the Board 4 times on the issue. Ms. Gilroy stated that the system is not full-proof. Ms. Gilroy spoke to Member Gardner's concerns about privacy. She went on to say that a gambler has no right to privacy. Ms. Gilroy stated that a new method is needed, possibly a biometric method or possibly fingerprints - referring to Cub Foods "Pay by Touch". Ms. Gilroy stated that a fingerprint method can be implemented on casino loyalty cards or be stand-alone. Ms. Gilroy stated that she has brought Marie Lavin, an expert on this technology.

Chairman Jaffe stated that this is public commentary and people must ask to be included on the list and the expert was not included. The Chairman stated that he would allow Ms. Lavin to speak for a couple of minutes.

Marie Lavin explained the technology of the fingerprint method.

Richard Hyde, Mayor of the City of Waukegan, stated that he wanted the opportunity to introduce the City of Waukegan to the Board. He stated that he is aware of the process of the Board to insure the integrity of gaming in the State of Illinois. He stated that Waukegan needs to reclaim its status as a center for jobs and economic activity. He stated that he understands that there is no process in place yet for the re-issuance of the 10th license. Mayor Hyde stated that Waukegan is the kind of community that the legislature had in mind when it passed the Riverboat Gambling Act and it would like to be kept in mind as a potential candidate when the time comes. Mayor Hyde went on to state the history of the City of Waukegan and the necessary steps Waukegan took to put in a bid for the last casino license available for the State of Illinois. Mayor Hyde stated that Waukegan had the highest bid for the license and was not selected. Mayor Hyde stated the unemployment statistics for the City of Waukegan. Mayor Hyde stated that Waukegan would share tax revenues with the surrounding communities if it was awarded the license. Mayor Hyde stated that the geographical location of Waukegan would bring new customers.

Chairman Jaffe stated that as of now the license is "tied up", but when the time comes the Board will act in a timely manner in reference to the decision of the 10th license.

Board Policy Items

Gene O'Shea initiated the presentation for self-exclusion. Mr. O'Shea introduced the guest speakers as follows: Tom Grey, National Coalition Against Gambling, Wayne Burdick, Outreach Foundation of Illinois, Thomas Swoik, Illinois Casino Gaming Association, Kevin

Mullaly, Executive Director of the Missouri Gaming Commission and Jennifer Shatley, Harrah's Entertainment. The last speaker was Christopher Anderson, founder and director of Gambling Recovery Center in Evanston. Mr. Anderson was appointed by Governor Blagojevich to serve as a consultant and expert to the Board on Problem and Pathological Gambling issues. Kelly Gage from the Department of Human Services was to be here but was unable to make it due to a conflict in scheduling.

Mr. O'Shea stated that as of today there are a total of 3,046 persons enrolled in the IGB program. Since the inception there have been 440 incidents involving enrollees returning to the casinos and being discovered. A total of \$244,000 in seizures has been collected. Mr. O'Shea stated that Member Gardner was eager to learn how other states operate their self-exclusion programs. Mr. O'Shea gave a small synopsis of the programs in Iowa, Indiana, and Michigan. The IGB has 24 enrollment sites in Illinois. Illinois utilizes more enrollment sites than any other jurisdiction in the nation that offers a self-exclusion program. Mr. O'Shea stated that the system that was discussed by Kathy Gilroy is not fool proof. Mr. O'Shea stated that the Casino Queen, Hollywood and Par-A-Dice casinos have installed a product known as Redi-Check which reads the bar codes on the back of a person's driver's license. Security personnel will swipe the license of any person who appears to be under 30 years of age through the Redi-Check system.

Member Gardner stated that the Board observed the license scanning device used at the Casino Queen. The device did not work if the renewal sticker for the driver's license was blocking the bar code. Mr. O'Shea stated that Dave Lienard provided a CD if anyone was interested in viewing it on the description of the Redi-Check system.

Rev. Tom Grey stated that the regulatory body has three responsibilities. One is to the owners, one to the taxpayer, and the third is to the patron. Rev. Grey commented on the speakers. He also suggested that Harrah's is the leader in hooking people. He stated that the Harrah's voucher mishap increased their revenue considerably. Rev. Grey stated that casino profits are based on the gambler's losses. Rev. Grey stated that the gambler does not take his money and go home, he takes his winnings and gambles some more. Rev. Grey stated that the Illinois Gaming Board needs to take additional steps beyond self-exclusion to further protect pathological patrons and their families. Rev. Grey asked that the casinos be required to deposit for collection all negotiable instruments by the next banking day following receipt with no extension of credit and that the Board eliminate markers.

Wayne Burdick was next to speak. Mr. Burdick stated that self-exclusion is not the first step for the gambler, it is one of the last resorts. Mr. Burdick stated that the Outreach Foundation is very big on public awareness and education and also provides direct help to the gambler. He has stated that the self-exclusion program has enabled the Outreach Foundation to provide services that would not otherwise be available. The Outreach Foundation now has a counselor that can speak to people and provide on-going counseling. Mr. Burdick stated that whatever the Board can do for a problem or compulsive gambler is a good thing. Mr. Burdick stated that the self-exclusion program is a great way to help the gambler.

Tom Swoik was next to address the Board. Mr. Swoik stated that since February 1996 the Illinois Casino Gaming Association has supported the 1800Gambler hotline. He also stated that there was an additional \$50,000 grant from the eight casino members of the association and the

Grand Victoria Casino. The program was expanded to include two new components; the Chance to Change Program and the Problem Gambling Education Training Program. Mr. Swoik stated that the Association has always supported the self-exclusion program. Mr. Swoik stated that self-exclusion is one step in the process of assisting the problem gambler. Mr. Swoik stated that it is not and was not intended to be the answer to problem gambling. Mr. Swoik stated that the term “self-excluded” relays the intent of the process. The process gives individuals a means of helping themselves with their problem gambling. Mr. Swoik went on to state that the National Center for Responsible Gaming is developing a guide-line for the self-exclusion programs. Mr. Swoik suggested that the information be reviewed before we try and fix something that may not be broken. Mr. Swoik stated that the problem gambler must be held accountable for his or her actions.

Member Gardner inquired as to the price of the readers for the Redi-Check system. Gene O’Shea stated that the price is about \$14,000.00.

Kevin Mullaly introduced himself as the Executive Director of the Missouri Gaming Commission. Mr. Mullaly is the author of the original state sponsored voluntary exclusion program that was adopted by Missouri in the mid 90’s. Mr. Mullaly congratulated Gene O’Shea for doing a wonderful job for administering the Illinois Gaming Board program. Kevin Mullaly stated that the self exclusion program was really fashioned on the advice of a gambler, who was a professional man, who sought counseling and thought that a program should be started banning people from casinos. Currently there are over 9,000 enrollees. Government opposed the program, sitting that personal responsibility should be sought. Mr. Mullaly stated that casinos are not promising to keep them out, nor is the gaming commission promising to keep them out. This is merely a tool to help them in the course of their recovery and provide them and their family with information and free treatment. Mr. Mullaly stated that one of the comments was that it should be relatively easy to sign up for the program. That sentiment is understood, but major life decisions are not easy. Mr. Mullaly also stated that there are certain logistical and administrative procedures that need to be addressed. The gambler needs to have the program thoroughly explained to them so that they understand it in full. Mr. Mullaly also stated that he would not put too much stock in scanning driver’s licenses. Gamblers can get other people’s driver’s licenses, and the most addicted and the most serious of those affected will find ways to defeat any system that you have. Mr. Mullaly stated that this is an impulse control disorder, the craving is too big, we have to concentrate on good mental health and fix the problem from the inside out.

Mr. Mullaly stated that Harvard University is conducting a study of the Missouri Voluntary Exclusion Program. Harvard is doing actual interviews with people who have been excluded in Missouri. Look for the results later this year.

Mr. Mullaly also stated that as a regulator he shares the sentiment about the importance of the independence of the gaming regulatory body. Problems seem to arise when political interference comes into play in the gaming industry. Mr. Mullaly stated that he thinks the success of the Missouri Gaming Commission is because of its independence.

Chairman Jaffe stated that he appreciates Mr. Mullaly’s sentiments and that the Board’s next agenda will be the independence of the Board. He is very grateful to have served on the

Board with the most delightful members who are dedicated to the concept that this Board will be free from any political interference. Chairman Jaffe stated that there have been some frustrations on the Board's part, and they will be talking about them shortly, due to the fact that they cannot bow to political whims, nor will they.

Charles Gardner asked why our numbers for enrollment are so small compared to Missouri's. Mr. Mullaly stated that he feels it was due to the effectiveness of their alliance. He stated that Missouri has an organization called the Missouri Alliance to Curb Problem Gambling which consists of the Missouri Department of Mental Health, the Gaming Commission, the Lottery, the Missouri Riverboat Gaming Association and the Missouri Council on Problem Gambling, with coordinated activities on education, outreach and promotion. Educating the population is the key. Member Gardner also asked about Missouri sharing lists between neighboring states. Mr. Mullaly stated that this is considered confidential mental health information; the gambler must agree that it could be shared with other states. Mr. Mullaly also stated that the Gaming Commission of Missouri is getting ready to make their first major change in the Rules. There will be a less than life time option whereas now exclusion is for life. People will be allowed to re-enter and go through a re-entry program where they will have to attend a life skills class. Member Gardner stated that he would like to encourage Missouri to share the information with Illinois as another feature of the Missouri program.

Jennifer Shatley with Harrah's Entertainment was the next speaker. Ms. Shatley went on to state that Harrah's was one of the first casinos to have a training program for responsible gaming based on an issue that affected a friend of the CEO, Phil Satrey. Ms. Shatley stated that individual exclusion programs were operated at many of the casinos. Ms. Shatley stated that in 1998 Harrah's formalized its self exclusion program to be a brand wide exclusion. If someone excludes at one of Harrah's properties they are excluded across the entire network of properties. Ms. Shatley stated that the casinos need to make sure that they do not market self exclusion patrons by removing their names from mailing lists as to ensure they won't return to the property. Ms. Shatley stated that a new training program for Harrah's employees has been implemented that re-enforces procedures for having self excluded patrons removed from the casino when they are identified on property with specialized training for the cashiering and player card department.

Christopher Anderson, Director Gambling Recovery Center, Evanston, Illinois was the last speaker. Mr. Anderson explained how he was approached by the Governor's office to take the position. Mr. Anderson stated that this Board seems to have a concern about the losing side of the coin and taking action. Mr. Anderson stated how he was involved in initiating the HELP line, at first answering from the living room of his home back in the early 1990's. Mr. Anderson stated how today he works as a psychotherapist, treating people with gambling addictions for the last 20 years. Mr. Anderson stated that doing this is a part of his own healing in the grief and frustration that he caused his own family while gambling in the securities market. Mr. Anderson stated that he was concerned with being too far removed from what the real issue is; it's not entertainment, it's not gaming, it's gambling pure and simple. Mr. Anderson stated that if we are to deal with gambling in Illinois we need to give equal weight to the losing side of the wager. Mr. Anderson stated that every addict has their

responsibility to do their part. For the gambler there seems to be no consequence on the part of the casino industry. Any program that is put in place needs to have mutual responsibility, mutual accountability. Mr. Anderson stated that by the time someone comes to the point of excluding themselves from a casino they are at the end of the line. Mr. Anderson stated that this seems like we are picking up the pieces after the damage. What about preventing this situation? Mr. Anderson made reference to the case pending where the casino is going after an individual for \$10,000 in bad checks and markers. Why are the casinos able to lend people money to gamble with. Mr. Anderson stated that in his experience, people who do not have gambling problems are not writing bad checks to casinos. Casinos explain that “markers” are a courtesy to the customer. Mr. Anderson stated that gambling with borrowed money from the casino is part of the problem.

OWNERS LICENSEE ITEMS

Empress Casino Joliet – James J. Bjers, Director of Security – Level One Investigation

Based on a review of the staff’s investigation and recommendation, Member Winkler moved that **the Board approve James J. Bjers as a Level 1 Occupational Licensee of Empress Casino Joliet.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Casino Rock Island – James L. Milne, Vice President & General Manager – Level One Investigation

Based on a review of the staff’s investigation and recommendation, Member Sullivan moved that **the Board approve James L. Milne as a Level 1 Occupational Licensee of Casino Rock Island.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVAL & DENIALS – LEVEL 2’s & 3’s

Michael Fries, Chief Legal Counsel, recommended that 21 applications for license Level 2 and 137 applications for Occupational License Level 3 be approved. Chief Counsel Fries also stated that the Board issue Notices of Denial to two individuals, Pamela Harris and Gregory Smith.

Based on staff’s investigation and recommendation, Member Moore moved that **the Board approve 21 applications for an Occupational License, Level 2, and 137 applications for an Occupational License, Occupational Level 3.**

Further, Member Moore moved that **the Board direct the Administrator to issue Notices of Denial to the following two applicants for Level 3 licenses, each of whom previously received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut that recommendation:**

1. Pamela Harris; and
2. Gregory Smith.

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS

Timothy Keller – Maintenance Worker

Chief Counsel Fries stated that there is one complaint on the agenda for disciplinary action against Mr. Timothy Keller. Mr. Keller is an occupational license level 3 at the Casino Rock Island. Surveillance tape from May 26, 2005 revealed a female patron unknowingly drop some money on the floor and leave the area. Mr. Keller then dropped a towel on the floor next to the money and proceeded to pick up the towel and the money, and then pocketed the money.

Based on the staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Timothy Keller, a Level 3 Occupational Licensee, for failing to comply with the Illinois Riverboat Gambling Act and the Board's Adopted Rules in relation to his taking money from the floor of the Casino Rock Island in violation of the casino's Internal Control System.**

Further, Member Gardner moved that **the Board revoke Mr. Keller's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by role call vote.

ADMINISTRATIVE HEARING/ALJ REPORTS

Disciplinary Action of Kimberly Johnson, DC-02-14

Chief Counsel Fries stated that the above matter was remanded to the Board from the Circuit Court of Cook County for reconsideration of a final order relative to an occupational licensee by the name of Kimberly Johnson. The Board had previously entered a final order revoking her license and the Board has met in its *quasi judicial* role to reconsider that pursuant to the parameters put on it by the Circuit Court.

In Re The Disciplinary Action of Kimberly Johnson, DC-02-14

Member Sullivan moved for the entry of the following Final Board Order relative to the disciplinary action against Kimberly Johnson: (Read attached order) Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

**STATE OF ILLINOIS
IN THE ILLINOIS GAMING BOARD**

IN RE THE DISCIPLINARY ACTION OF:)
)
) **DC-02-14**
KIMBERLY JOHNSON)

FINAL BOARD ORDER

This Matter comes to the Illinois Gaming Board (the Board) for final action pursuant to remand from the Circuit Court of Cook County for reconsideration of the Board's December 9, 2004 Final Order revoking Kimberly Johnson's Level 2 Occupational License. The Board reviewed the record and considered whether a sanction other than revocation is appropriate. Based on the record, including factors of mitigation, the Board orders that Kimberly Johnson's Level 2 Occupational License is suspended for 30 days without pay to be served within 120 days hereof in a minimum of 5 day increments. The Board further orders Kimberly Johnson to provide documentation to the Board reflecting her suspension without pay.

So Ordered.
Date: January 3, 2006

This is a final administrative order subject to the Administrative Review Act.

Aaron Jaffe, Chairman

Charles R. Gardner

Eugene Winkler

Joseph E. Moore Jr.

James E. Sullivan

At 3:30 p.m. Member Gardner moved to return to closed session. Member Moore seconded the motion. The motion passed unanimously by roll call vote.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator